

## **COMPROMISE SETTLEMENT AGREEMENT**

This Compromise Settlement Agreement is made and entered into by and between Tailwind Sports Corp. and Lance Armstrong (hereinafter referred to collectively as the “Claimants”), on the one hand, and SCA Promotions, Inc. and SCA Insurance Specialists, Inc. (Respondents), on the other, as of the dates appearing on the signatures below. The terms of this Compromise Settlement Agreement are as follows:

### **1. Parties**

The parties to this Compromise Settlement Agreement, which are sometimes collectively referred to herein as the “parties,” are the Claimants and Respondents, as defined above.

1.1 The “CONSIDERATION” which is given by Respondents means and consists of the payment of \$7,500,000.00 (Seven Million, Five Hundred Thousand and no/100 Dollars) by Respondents to Tailwind, as specified below, as well as the acknowledgments, ratifications and other promises also specified in this Agreement, including as follows:

- a. The release and assignment to Tailwind of all funds presently held in the registry of the 298<sup>th</sup> Judicial District Court of Dallas County, Texas in Cause No. 04-9557, on or before February 9, 2006;
- b. \$500,000.00, plus accrued interest at the rate of 6% per annum, on or before April 10, 2006;
- c. \$2,000,000.00, plus accrued interest at the rate of 6% per annum, on or before February 10, 2007;
- d. The sums described in (b) and (c) hereof shall be secured by: (1) the provision of Letter(s) of Credit issued by a national banking association conditioned only upon presentment of a demand by Claimants in the amount of \$500,000.00, plus accrued interest, on or after April 10, 2006; and presentment of a demand in the amount of \$2,000,000.00, plus accrued interest, on or after February 10, 2007; or (2) performance bond(s) issued by a surety or insurer acceptable to Claimants, which performance bond(s) shall be subject to Claimants’ approval and acceptance, but such approval and acceptance by Claimants may not be unreasonably withheld.

- e. The sums described in (b) and (c) are unconditionally due as and when specified. Under no circumstances may such sums, or any portion thereof, be withheld or offset by Respondents, regardless of the circumstances or any claim made by Respondents, including any claims by Respondents that Claimants have breached this Agreement in any way. Any and all such other claims by either Respondent against any Claimant, must, if pursued, be pursued independently and any such claim may not be the basis for either Respondent to encumber or withhold any sum due under this Agreement.
- f. An Arbitration Award, signed by all three Arbitrators, ordering Respondents to pay to Claimants the sum of \$7,500,000.00, shall be entered on or before February 9, 2006.
- g. No party may challenge, appeal or attempt to set aside the Arbitration Award.
- h. By February 9, 2006, Respondents shall cause the North Carolina lawsuit against CSE, William Stapleton and Street & Smith to be dismissed with prejudice; and CSE and Stapleton shall not assert any claims against Respondents as a result of the filing of such claims.

## **2. Indemnity**

2.1 The Respondents agree to INDEMNIFY and to DEFEND and to HOLD HARMLESS Claimants from any claims asserted by third parties, together with all costs, expenses, and legal fees in defending such claims that may be asserted against Claimants that relate to the release or provision of any documents, information or testimony related to this arbitration by Respondents.

2.2 The Claimants agree to INDEMNIFY and to DEFEND and to HOLD HARMLESS Respondents from claims asserted by third parties, together with all costs, expenses, and legal fees in defending such claims, that may be asserted against Respondents related to the release or provision of any documents, information or testimony related to this arbitration by Claimants.

2.3 The indemnity obligations set forth in Paragraphs 2.1 and 2.2 shall not extend to

any claim or disciplinary action asserted by a regulatory body against a Claimant.

**3. Representations and Warranties**

3.1 In return for the CONSIDERATION, THE PARTIES represent and warrant the following to each other:

- a. THE PARTIES are correctly described in this SETTLEMENT AGREEMENT;
- b. Before executing this SETTLEMENT AGREEMENT, THE PARTIES became fully informed of the terms, contents, conditions, and effect of this AGREEMENT, and received independent legal counsel and advice before agreeing to the terms of this AGREEMENT;
- c. THE PARTIES are fully authorized and legally competent to execute this SETTLEMENT AGREEMENT;
- d. This SETTLEMENT AGREEMENT is fully and forever binding on THE PARTIES, and their heirs, executors, administrators, successors and assigns;
- e. No promise or representation of any kind has been made to any Party or to anyone acting for a Party, except as is expressly stated in this SETTLEMENT AGREEMENT, and THE PARTIES execute this SETTLEMENT AGREEMENT without reliance on any representation of any kind or character not expressly stated in this SETTLEMENT AGREEMENT;
- f. In entering this SETTLEMENT AGREEMENT, THE PARTIES enter this SETTLEMENT AGREEMENT freely, by THE PARTIES' own choice and judgment, and without duress or other influence; and
- g. THE PARTIES recognize that the recitations contained in this SETTLEMENT AGREEMENT are contractual and not mere recitals.

**4. Confidentiality**

4.1 The terms of this SETTLEMENT AGREEMENT shall be kept CONFIDENTIAL unless otherwise required in response to any request for information in any judicial proceeding in which the Claimants and/or Respondents are parties, or pursuant to subpoena or other Court order. In the event any Party or their authorized representatives, or any

of their employees, representatives, or attorneys, receives an order or other court process to be furnished with this SETTLEMENT AGREEMENT or any of the information or terms of this SETTLEMENT AGREEMENT, said Party and/or their representatives shall notify all signatories as soon as possible after the receipt of such order, process, or demand and within a reasonable time prior to furnishing the information. Notice of such a request or order should stipulate the time period within which the Party must respond to the request. Notwithstanding this agreement of confidentiality, any Party may disclose the terms to their spouse, accountants, attorneys, subsidiaries, lenders, assigns, and successors, who shall agree to keep such information confidential.

4.2 Claimants and their respective agents, representatives and employees shall be released from the obligation of confidentiality upon the occurrence of either of the following:

- a. Should any official, representative or employee of any regulatory body, including, but not limited to, the World Anti Doping Agency, the United States Anti Doping Agency, the UCI, the Tour de France and any affiliates or sponsors thereof, make public, directly or indirectly, any testimony, statement, document or exhibit produced or introduced in connection with the Arbitration proceeding; or
- b. Should any testimony, statement, document or exhibit (or description thereof) unfavorable to Lance Armstrong or Tailwind and which was produced or introduced in connection with the Arbitration proceeding be published in any newspaper, magazine, television, radio, internet site or other media.
- c. Should Claimants exercise rights to disseminate information regarding the Award and proceeding pursuant to the terms of Paragraph 4.2(a) or 4.2(b) above, Respondents shall be released from the obligations of confidentiality as well.

## **5. Miscellaneous**

5.1 This SETTLEMENT AGREEMENT shall not be altered, amended, modified or changed except in writing signed by all of the parties hereof.

5.2 THE PARTIES each acknowledge that this instrument constitutes the entire agreement between them with respect to the matters being compromised and settled in this SETTLEMENT AGREEMENT, and that this SETTLEMENT AGREEMENT supersedes any and all prior agreements and understandings relating to the subject matter hereof.

5.3 Notwithstanding any provision in this SETTLEMENT AGREEMENT herein to the apparent contrary, nothing herein contained is intended nor shall it be construed to create, recognize, or ratify any third party beneficial rights, except as specifically noted herein.

5.4 THE PARTIES agree that the titles and/or headings used in this SETTLEMENT AGREEMENT are for purposes of clarification only and should not be used in interpreting or construing this SETTLEMENT AGREEMENT.

5.5 In the event that any one or more of the provisions contained in this SETTLEMENT AGREEMENT shall be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this SETTLEMENT AGREEMENT shall be construed as if such invalid, illegal, or unenforceable provision did not exist.

5.6 This SETTLEMENT AGREEMENT shall be governed by, construed, interpreted and the rights of the parties determined in accordance with the laws of the State of Texas, without regard to conflict of law principles thereof. The Arbitration Panel consisting of Richard Faulkner, Richard Chernick and Ted Lyon shall have exclusive jurisdiction over the parties hereto with respect to any dispute or controversy among them arising under or in connection

with this SETTLEMENT AGREEMENT or Contingent Prize Contract #31122 and, by execution and delivery of this SETTLEMENT AGREEMENT, each of the parties hereby submits to the jurisdiction of that Panel and waives any objection to such jurisdiction on the grounds of venue or *forum non conveniens*, the absence of *in personam* or subject matter jurisdiction and any similar grounds, consents to service of process by mail or any other manner permitted by law, and irrevocably agrees to be bound by any order or award issued or rendered thereby in connection with this SETTLEMENT AGREEMENT.

EXECUTED in multiple originals, each of equal dignity, on the dates as noted below, to be effective as of the Closing Date, February 8, 2006.

SCA PROMOTIONS, INC.

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by: Robert D. Hammer  
Robert D. Hammer  
Its: PRESIDENT

SCA INSURANCE SPECIALISTS, INC.

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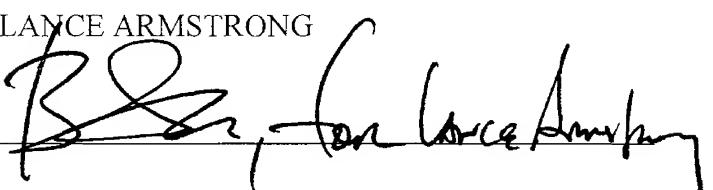
by: Robert D. Hammer  
Robert D. Hammer  
Its: PRESIDENT

TAILWIND SPORTS CORP.

By:

Its:

LANCE ARMSTRONG

A handwritten signature in black ink, appearing to read "Lance Armstrong". The signature is fluid and cursive, with "Lance" on the left and "Armstrong" on the right, connected by a horizontal line.